

2013 Washington County Property Tax Report with Comparison to 2012

Legislative Services Agency

September 2013



This report describes property tax changes in Washington County between 2012 and 2013.

Property tax changes in 2013 were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. However, three statewide trends affected a large number of counties.

- First, pay-2013 was a statewide reassessment year. In past reassessments there were double-digit percentage increases in assessed values, but this time assessments were almost unchanged statewide. The difference was trending, which has been adjusting assessments annually since 2007. Few counties experienced large assessment increases in 2013. Many experienced assessment decreases.
- Second, farmland assessments continued to rise, with the base rate of an acre increasing 8.7% from \$1,500 to \$1,630. High commodity prices and low interest rates were the reason. Rising farmland assessments were especially important in rural counties, where farmland is a larger part of total assessed value.
- Third, many local income tax credit rates increased substantially. This was due to a corrected distribution of local income tax revenues to local governments. Extra income tax revenue was applied to tax credits in 2013. This may mean that credit rates will fall (and tax bills will rise) in 2014.

Still, local factors were most influential in individual counties in 2013. Here is what affected taxes in Washington County.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2013	-0.5%	\$18,529,048	\$886,079,570	4.5%
Change		2.4%	1.0%	
2012	-1.4%	\$18,100,482	\$877,419,204	3.5%

Comparable Homestead Property Tax Changes in Washington County

The total tax bill for all taxpayers in Washington County decreased by 0.5% in 2013. The main reason was an increase in local income tax-funded homestead credits, which offset a 2.4% increase in the levy. In this reassessment year, certified net assessed value increased 1.0%. With a levy increase that exceeded the assessment rise, tax rates increased, and this caused an increase in tax cap credits as a percent of the levy, from 3.5% in 2012 to 4.5% in 2013.

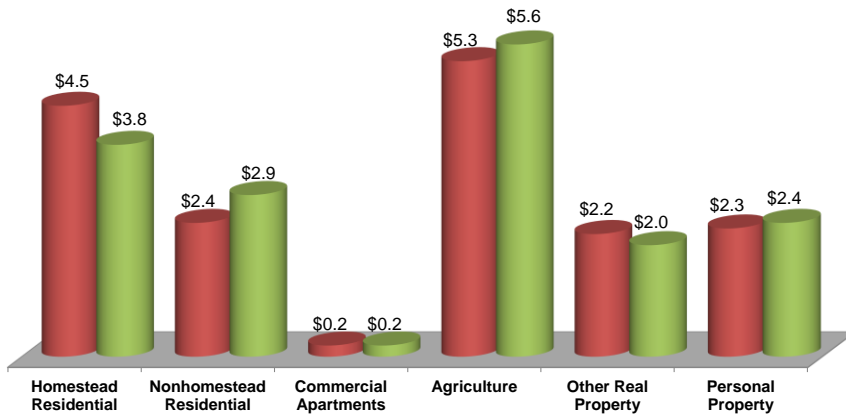
Washington County homeowners experienced a large 11.3% decrease in property tax bills in 2013. This was due to a large increase in local property tax credits and a large decrease in homestead net assessed value, which more than offset an increase in property tax rates. Statewide, the average homeowner's tax bill was almost unchanged.

	2012 to 2013	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	2,096	28.1%
No Change	276	3.7%
Lower Tax Bill	5,078	68.2%
Average Change in Tax Bill	-11.3%	
Detailed Change in Tax Bill		
20% or More	890	11.9%
10% to 19%	391	5.2%
1% to 9%	815	10.9%
-1% to 1%	276	3.7%
-1% to -9%	1,042	14.0%
-10% to -19%	1,177	15.8%
-20% or More	2,859	38.4%
Total	7,450	100.0%

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)

■ 2012 - Total \$16.9 ■ 2013 - Total \$16.9



In Washington County most net property taxes were paid by agriculture and business (other real and personal) property owners in 2013. Total net property taxes decreased 0.5%, compared to an average 2.1% increase statewide. Nonhomestead residential property saw the biggest percentage increase, while homestead net taxes decreased by the largest percentage.

Property tax rates increased in 12 of 22 Washington County tax districts in 2013. The average tax rate rose by 1.4% because a levy increase more than offset a small increase in certified net assessed value. Statewide, the average tax rate increased by 4.2%.

The total levies of all government units in Washington County increased by 2.4%, compared to a 3.7% statewide levy increase. Detailed levy changes for local governments in Washington County are included in a later table.

Property Type	Gross AV Pay 2012	Gross AV Pay 2013	Gross AV Change	Net AV Pay 2012	Net AV Pay 2013	Net AV Change
Homesteads	\$760,181,790	\$684,718,160	-9.9%	\$273,662,385	\$248,941,761	-9.0%
Other Residential	138,134,260	166,494,350	20.5%	137,100,891	164,333,214	19.9%
Ag Business/Land	310,396,300	326,376,817	5.1%	303,483,029	319,519,171	5.3%
Business Real/Personal	228,145,027	218,923,388	-4.0%	184,928,945	177,381,779	-4.1%
Total	\$1,436,857,377	\$1,396,512,715	-2.8%	\$899,175,250	\$910,175,925	1.2%

Net AV equals gross AV less deductions and exemptions. Certified net AV is set with the budget, certified by the county auditor and used to calculate tax rates. It may be adjusted by the auditor to account for appeals. Net AV in the above table is summed from tax bills. It includes TIF allocations while Certified net AV does not. Gross AV also is summed from tax bills. Circuit breaker tax caps are calculated on gross AV.

Washington County's total billed net assessed value increased by 1.2% in 2013. Increases in other residential and agricultural assessments more than offset decreases in homestead and business assessments. Net assessed value for all of Indiana was nearly unchanged, rising by only 0.1%.

Tax Cap Category	2012	2013	Difference	% Change
1%	\$53,653	\$28,713	-\$24,940	-46.5%
2%	482,137	615,620	133,484	27.7%
3%	67,178	177,114	109,936	163.6%
Elderly	24,578	16,101	-8,477	-34.5%
Total	\$627,546	\$837,549	\$210,003	33.5%
% of Levy	3.5%	4.5%		

Total tax cap credits in Washington County were \$837,549, which was 4.5% of the levy. This was less than the state average of 10.9%, but near the median or typical county percentage of 4.2%. Tax rates were the main determinant of tax cap credits. Washington County's average tax rate was near the median rate

statewide. Most of the tax cap credits in Washington County were in the 2% nonhomestead residential/farmland category. A later table shows tax cap credits by category for each local government unit.

Tax cap credits in Washington County increased \$210,003 between 2012 and 2013. Credits as a share of the total levy rose to 4.5% in 2013 from 3.5% in 2012.

Washington County Levy Comparison by Taxing Unit

Taxing Unit	2009	2010	2011	2012	2013	% Change			
						2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013
County Total	17,686,658	17,793,579	18,768,190	18,100,482	18,529,048	0.6%	5.5%	-3.6%	2.4%
Washington County	4,260,725	4,392,832	4,595,814	4,725,781	4,740,526	3.1%	4.6%	2.8%	0.3%
Brown Township	19,439	20,076	19,975	21,140	21,298	3.3%	-0.5%	5.8%	0.7%
Franklin Township	45,983	46,926	48,344	49,898	50,375	2.1%	3.0%	3.2%	1.0%
Gibson Township	37,852	37,112	38,291	39,025	39,775	-2.0%	3.2%	1.9%	1.9%
Howard Township	11,367	11,823	12,046	12,438	12,637	4.0%	1.9%	3.3%	1.6%
Jackson Township	34,188	52,327	51,828	53,195	49,197	53.1%	-1.0%	2.6%	-7.5%
Jefferson Township	14,802	15,683	15,964	25,290	25,533	6.0%	1.8%	58.4%	1.0%
Madison Township	20,022	21,296	21,780	28,539	29,073	6.4%	2.3%	31.0%	1.9%
Monroe Township	36,931	32,645	25,489	26,449	26,790	-11.6%	-21.9%	3.8%	1.3%
Pierce Township	41,219	41,699	42,671	43,411	43,934	1.2%	2.3%	1.7%	1.2%
Polk Township	40,908	41,853	42,045	42,697	43,353	2.3%	0.5%	1.6%	1.5%
Posey Township	45,262	46,243	62,198	62,790	61,912	2.2%	34.5%	1.0%	-1.4%
Vernon Township	17,682	18,345	18,764	19,377	19,539	3.7%	2.3%	3.3%	0.8%
Washington Township	154,620	160,109	162,083	137,691	168,521	3.5%	1.2%	-15.0%	22.4%
Salem Civil City	2,382,134	2,376,015	2,441,824	2,511,052	2,535,768	-0.3%	2.8%	2.8%	1.0%
Campbellsburg Civil Town	68,747	69,743	72,053	74,445	73,871	1.4%	3.3%	3.3%	-0.8%
Fredericksburg Civil Town	0	0	0	0	0				
Hardinsburg Civil Town	5,997	6,214	6,363	6,558	6,663	3.6%	2.4%	3.1%	1.6%
Little York Civil Town	844	874	889	917	934	3.6%	1.7%	3.1%	1.9%
Livonia Civil Town	2,435	2,642	2,696	2,781	2,827	8.5%	2.0%	3.2%	1.7%
New Pekin Civil Town	127,482	128,686	133,881	138,150	139,465	0.9%	4.0%	3.2%	1.0%
Saltillo Civil Town	0	0	0	0	0				
Salem Community School Corp	3,949,816	4,069,926	4,246,280	3,688,252	4,089,419	3.0%	4.3%	-13.1%	10.9%
East Washington School Corp	2,854,054	2,799,383	3,222,915	2,815,135	2,845,019	-1.9%	15.1%	-12.7%	1.1%
West Washington School Corp	2,458,447	2,276,358	2,357,378	2,403,888	2,305,508	-7.4%	3.6%	2.0%	-4.1%
Salem Public Library	342,274	344,707	328,287	330,448	335,157	0.7%	-4.8%	0.7%	1.4%
Brown-Vernon Fire District	79,722	82,857	82,607	88,675	89,359	3.9%	-0.3%	7.3%	0.8%
Washington County Solid Waste Mgmt Dist	602,149	664,108	681,471	703,690	723,041	10.3%	2.6%	3.3%	2.7%
Blue River Fire Protection District	31,557	33,097	34,254	48,770	49,554	4.9%	3.5%	42.4%	1.6%

Washington County 2013 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates				LOIT Residential	Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead		
88001	Brown Township	1.8570	--	--	27.5740%	--	--	--	1.3450
88002	Campbellsburg Town	2.5412	--	--	27.5740%	--	--	--	1.8405
88003	Saltillo Town	1.8570	--	--	27.5740%	--	--	--	1.3450
88004	Franklin Township	1.7988	--	--	27.5740%	--	--	--	1.3028
88005	Gibson Township	1.6907	--	--	27.5740%	--	--	--	1.2245
88006	Little York Town	1.7171	--	--	27.5740%	--	--	--	1.2436
88007	Howard Township	1.8204	--	--	27.5740%	--	--	--	1.3184
88008	Jackson Township	1.8169	--	--	27.5740%	--	--	--	1.3159
88009	Jefferson Township	1.6884	--	--	27.5740%	--	--	--	1.2228
88010	Madison Township	1.7990	--	--	27.5740%	--	--	--	1.3029
88011	Livonia Town	1.8334	--	--	27.5740%	--	--	--	1.3279
88012	Monroe Township	1.7134	--	--	27.5740%	--	--	--	1.2409
88013	Pierce Township	1.7835	--	--	27.5740%	--	--	--	1.2917
88014	New Pekin Town-Pierce Twp	2.2802	--	--	27.5740%	--	--	--	1.6515
88015	Polk Township	1.7776	--	--	27.5740%	--	--	--	1.2874
88016	New Pekin Town-Polk Twp	2.2893	--	--	27.5740%	--	--	--	1.6580
88017	Posey Township	1.8275	--	--	27.5740%	--	--	--	1.3236
88018	Fredericksburg Town	1.8275	--	--	27.5740%	--	--	--	1.3236
88019	Hardinsburg Town	1.8543	--	--	27.5740%	--	--	--	1.3430
88020	Vernon Township	1.8468	--	--	27.5740%	--	--	--	1.3376
88021	Washington Township	1.8140	--	--	27.5740%	--	--	--	1.3138
88022	Salem City	3.2580	--	--	27.5740%	--	--	--	2.3596

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Washington County 2013 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	28,713	615,371	174,509	16,101	834,695	18,529,048	4.5%
<i>TIF Total</i>	0	250	2,605	0	2,854	115,637	2.5%
<i>County Total</i>	28,713	615,620	177,114	16,101	837,549	18,644,685	4.5%
Washington County	4,715	104,287	28,656	4,016	141,674	4,740,526	3.0%
Brown Township	0	435	0	4	439	21,298	2.1%
Franklin Township	0	0	0	8	8	50,375	0.0%
Gibson Township	0	0	0	70	70	39,775	0.2%
Howard Township	0	0	0	8	8	12,637	0.1%
Jackson Township	0	0	0	8	8	49,197	0.0%
Jefferson Township	0	0	0	8	8	25,533	0.0%
Madison Township	0	0	0	29	29	29,073	0.1%
Monroe Township	0	0	0	46	46	26,790	0.2%
Pierce Township	0	175	0	59	235	43,934	0.5%
Polk Township	0	193	0	37	230	43,353	0.5%
Posey Township	0	0	0	68	68	61,912	0.1%
Vernon Township	0	0	0	8	8	19,539	0.0%
Washington Township	120	2,347	728	133	3,328	168,521	2.0%
Salem Civil City	13,492	264,206	82,000	2,565	362,263	2,535,768	14.3%
Campbellsburg Civil Town	0	5,469	0	33	5,501	73,871	7.4%
Hardinsburg Civil Town	0	0	0	21	21	6,663	0.3%
Little York Civil Town	0	0	0	3	3	934	0.3%
Livonia Civil Town	0	0	0	0	0	2,827	0.0%
New Pekin Civil Town	0	7,796	0	246	8,041	139,465	5.8%
Saltillo Civil Town	0	0	0	0	0	0	
Salem Community School Corp	8,717	170,701	52,979	4,074	236,471	4,089,419	5.8%
East Washington School Corp	0	15,772	0	2,107	17,879	2,845,019	0.6%
West Washington School Corp	0	8,623	0	1,585	10,208	2,305,508	0.4%
Salem Public Library	950	18,604	5,774	299	25,627	335,157	7.6%
Brown-Vernon Fire District	0	857	0	26	883	89,359	1.0%
Washington County Solid Waste Mgmt Dist	719	15,906	4,371	612	21,609	723,041	3.0%
Blue River Fire Protection District	0	0	0	31	31	49,554	0.1%
TIF - Airport	0	0	0	0	0	7,283	0.0%
TIF - Washington Co TIF	0	0	0	0	0	0	
TIF - Washington EDA	0	0	0	0	0	51,830	0.0%
TIF - Salem Allocation #1	0	250	2,605	0	2,854	56,524	5.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over. The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.